

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7598

BILL NUMBER: HB 1779

DATE PREPARED: Feb 19, 2001

BILL AMENDED: Feb 19, 2001

SUBJECT: Deputy Consumer Counselor for Small Business.

FISCAL ANALYST: John Parkey

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation:(Amended) This bill creates the position of Deputy Consumer Counselor for Small Business within the Office of Utility Consumer Counselor. The bill provides that the Governor shall appoint the Deputy Consumer Counselor for Small Business for a term of four years. The bill provides that the Deputy Consumer Counselor for Small Business is responsible for the following:

- (1) Representing the interests of small business utility customers in Indiana.
- (2) Educating small business utility customers about the functions and duties of the Deputy Consumer Counselor for Small Business.
- (3) Soliciting the opinions, comments, and needs of small business utility customers.
- (4) Educating small business utility customers about utility conservation matters.
- (5) Notifying small business utility customers about proceedings affecting or potentially affecting small business utility customers.
- (6) Maintaining a telephone hotline for inquiries, comments, and suggestions from small business utility customers.

Effective Date: July 1, 2001.

Explanation of State Expenditures: (Revised) This bill creates the position of Deputy Consumer Counselor for Small Business with the Office of the Utility Consumer Counselor. The Counselor would represent, protect, and educate small business utility customers. According to a 1997 survey, there were approximately 120,000 businesses in Indiana with fewer than 500 employees. Based on the definition of small business provided in this bill, the number of utility customers that would be served by the Counselor would likely be fewer than this amount. This proposal is not expected to impact the workload of the existing Office of the Utility Consumer Counselor (OUCC).

The bill provides that the Governor may appoint a practicing attorney to be the Deputy Consumer Counselor

for Small Business (the OUCC may advise the governor on this appointment). Upon approval of the OUCC, the Governor, and the State Budget Agency, the Deputy Consumer Counselor for Small Business may hire accountants, utility economists, engineers, attorneys, stenographers, or other necessary assistants to carry out the duties of the Office. The salaries of the Deputy Consumer Counselor and the regular staff of the office would be paid through an appropriation made by the General Assembly or through a \$250,000 contingency fund which is maintained through revenue from the Public Utility Fee. Expenses of the regular staff would be charged to and paid from this contingency fund.

The bill allows the Deputy Consumer Counselor for Small Business, (with the approval of the OUCC, the Governor, and the Budget Agency), to employ temporary personnel for specific cases or investigations. The compensation and costs of travel for any temporary staff would be paid from the OUCC's Expert Witness Fee Account or from the \$250,000 contingency fund (upon approval of the Governor and the Budget Agency). In FY 2001, the OUCC was appropriate \$736,250 for expert witness fees.

The bill also provides that the Deputy Consumer Counselor for Small Business must maintain a toll-free hotline for small businesses with utility-related concerns. The OUCC reports that its annual costs for maintaining a similar hotline for consumers are approximately \$2,000. The Counselor would also be required to use the Access Indiana system to make publications and other information available on the Internet.

This bill does not contain a specific appropriation. Illinois passed similar legislation establishing a Small Business Utility Advocate in 1984, however, this position is not currently funded. In past years, the Advocate in Illinois has had only an administrative assistant to help in carrying out the duties of the office. In Pennsylvania, the Office of the Small Business Advocate has similar responsibilities to those of the position provided for in this bill. The Pennsylvania Office of the Small Business Advocate was established in 1988 and currently has a staff of eight: the Small Business Advocate and four assistants (all attorneys), an administrative officer/legal assistant, and two secretaries. The budget authorization for the Office of the Small Business Advocate in Pennsylvania was \$1.2 M in FY 1999.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of the Utility Consumer Counselor.

Local Agencies Affected:

Information Sources: Anthony Dzwonar, External Affairs Director, OUCC, (317) 232-2494; State Budget Agency; Small Business Administration, Office of Advocacy; Bernie Ryan, Pennsylvania Small Business Advocate, (717) 783-2525; Mark Grant, Illinois Commerce Commission, (217) 785-6190.